

FISCAL NOTE
SB 2924 - HB 2919

March 1, 2004

SUMMARY OF BILL:

- Provides for the Department of Safety to authorize third parties to perform certain title and registration, motor carrier license and tax reporting, dealer licensing and driver license functions.
- Requires third parties to submit statutorily prescribed fees and taxes it collects to the Department of Safety.
- Authorizes third parties to collect and retain a reasonable fee for their services.
- Establishes certain rates for the Department to reimburse third parties for certain functions.
- Provides for the Department of Safety to supervise and regulate third parties and outlines the duties and powers of the Department with regard to such regulation.
- Requires third parties applying to provide such services to submit a bond with their application, to provide fingerprints for a criminal records check, and pay a fee for such records check.
- Outlines offenses that make applicants ineligible to provide services. Gives denied applicants a right to a hearing.
- Provides grounds for suspending or canceling an authorization to provide such services and the right to a hearing on the decision to suspend or cancel.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Net Impact - Exceeds \$200,000
Increase State Revenues - Not Significant

Decrease Local Govt. Revenues - Exceeds \$200,000
Decrease Local Govt. Expenditures - Less than \$100,000

Estimate assumes, to the extent the Department of Safety elects to authorize third parties to perform the functions provided in the bill:

- total transactions by function:
 - Titles: 2,200,000 transactions; 1,700,000 titles issued locally.
 - Registrations: 5,200,000 annually
 - Driver license transactions: 1,250,000 annually; 250,000 handled locally.
 - International Registration Program (Motor Carriers): \$65,000,000 annually
 - International Fuel Tax Agreement: \$30,000,000
- 1% of title and registration transactions handled by third parties.
- 0.5% of driver license transactions handled by third parties.
- 0.5% of motor carrier licensing and tax reporting revenues would be collected by third parties.
- fees collected by local clerks for functions:
 - \$3 for title application (by statute); \$2 for title issuance (by contract)
 - \$2.50 for each registration (by statute)
 - \$2 for each driver license (by contract)

- reimbursement of third parties by the Department for functions:
 - \$1 for titles and motor vehicle records
 - \$1 for registrations
 - \$4 for driver licenses
 - 2% of vehicle license tax payments (or \$4 per registration, whichever is more), overweight or excess size registration or permit (or \$1 for each registration or permit, whichever is more)
- a decrease in local government revenues exceeding \$100,000 as a result of third parties performing title transactions that would have been handled by local clerks.
- a decrease in local government revenues exceeding \$100,000 as a result of third parties issuing registrations that would have been handled by local clerks.
- a decrease in local government revenues of approximately \$20,000 as a result of third parties issuing driver licenses that would have been handled by local clerks.
- a decrease in state expenditures of approximately \$17,000 from the difference in the title fee paid to third parties versus local clerks.
- an increase in state expenditures exceeding \$50,000 from the \$1 reimbursement paid to third parties for registrations.
- an increase in state expenditures of \$20,000 from the additional amount paid to third parties for driver licenses.
- an increase in state expenditures exceeding \$95,000 for reimbursement paid to third parties for collection of motor carrier registrations and taxes.
- an increase in state expenditures to the Department of Safety to supervise and regulate third parties estimated to be less than \$100,000.
- a decrease in local government expenditures as third parties take on functions currently handled by local clerks and fewer staff are needed to handle such functions at the local level. In the beginning of such a program the decrease would likely be less than \$100,000 but would increase as volume handled by third parties increased.
- increase state expenditures and revenues from costs associated with required background checks and fees paid by applicants for such checks.
- all start-up costs including equipment for third parties would be the responsibility of such third party.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director